Promotion of Small-Scale Enterprises

617. DR. KARAN SINGH : Will the Minister of SMALL SCALE INDUSTRIES AND AGRO AND RURAL INDUSTRIES be pleased to state:

(a) whether a study-group of Planning commission on development of Small Scale Enterprises have suggested a single unified Act Governing the promotion and development of this Sector;

(b) if so, the drawbacks pointed out by the study group in the existing laws Governing Small Scale Industry Sector and the major improvements sought to be effected through the new law; and

(c) Government's reaction thereto?

THE MINISTER OF STATE OF THE MINISTRY OF SMALL SCALE INDUSTRIES AND AGRO AND RURAL INDUSTRIES (SHRIMATI VASUNDHARA RAJE): (a) and (b) Yes, Sir. According to the Study Group, existing laws affecting small scale industries (SSIs) could be classified in three categories (a) Laws governing setting up of industries (b) Laws governing working of the industry and (c) Laws relating to Labour & their welfare. Of these, the Study Group has observed that the laws relating to labour and welfare are more deterrent and trouble some because small entrepreneurs are not able to comply with the requirements of maintaining a large number of registers, forms, returns etc. Further, the labour strength of the small enterprises may vary as per availability of orders, which increase difficulties of small enterprises to comply with the labour laws. A Single Unified Act would cover all aspects relating to regulation and growth of small enterprises doing away with the plethora of laws and rules and regulations governing the sector.

(c) Government have entrusted a study for simplification of laws, rules, procedures affecting the small scale industries sector to an independent agency. They have also been entrusted the task of suggesting a single comprehensive , law for SSIs.

Cost Escalation of Public Sector Projects

618. SHRI KARNENDU BHATTACHARJEE: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that cost and time over-runs of the various public sector projects are likely to impose an additional burden of Rs. 40,000 crores;

(b) if so, the details of the projects and the break-up of the over-runs, State-wise;

(c) what steps have been taken so far to arrest the cost escalation and to ensure timely completion of these projects; and

(d) what further measures are being taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING, STATISTICS AND PROGRAMME IMPLEMENTATION (SHRI ARUN SHOURIE): (a) and (b) out of 466 projects, presently, on the monitor of Ministry of Statistics & Programme Implementation, 213 projects have cost overrun and 174 projects have time overrun. With respect to the original approved cost, cost overrun of all the 466 projects is Rs. 44,385.4 crore, i.e. 36%. The cost of a project is approved at a fixed cost at prices prevailing in that year. The cost increase due to price escalation/general inflation cannot be avoided. The escalation is capitalised and forms part of the cost of the project. Therefore, increase in cost due to escalations is not an additional burden, but is built in the expenditure planning on yearly basis. The details of the projects and the break-up of the overruns. State-wise, can be seen in the enclosed Statement *(See* below)

(c) and (d) The steps taken to arrest the cost escalations and to ensure timely completion of these projects arc as follows:

(i) review of projects on monthly as well as quarterly basis by the Government.

(ii) indepth critical review of the progress by the Project Authorities and the administrative Ministries and follow up with the State Governments (for acquisition of land and provision of infrastructure facilities like water and power, ensuring law & order at project sites, etc.) consultants and other concerned agencies to minimise delays;

(iii) setting up of an Empowered Committee in the concerned administrative Ministries for resolution of problems;

(iv) inter-ministerial coordination for resolving problems of interministerial nature;

(v) making available matching funds on yearly basis based on updated

cost to complete the projects in the advanced stages of implementation along with the revised completion schedule;

(vi) reviews by the Ministers-in-charge, the Prime Minister's Office and the Cabinet Secretariat; and

(vii) In order to bring accountability in the execution of projects, Standing Committees have been set up in all the concerned Ministries/ Departments, for projects costing Rs. 50 crores and above, which have reported time & cost overruns. These Committees arc headed by Additional Secretary or Joint Secretary of the concerned Ministry with representatives from Planning Commission, Department of Expenditure and Ministry of Statistics & Programme Implementation. The Standing Committees set up as per the guidelines of the Planning Commission issued in August, 1998, have the mandate to go into the details of time and cost overrun and to identify the respective responsibility areas and to suggest remedial action. The reports of the Standing Committees form part of the revised cost estimates of projects which have time and cost overruns and the same are submitted, along with the note for consideration of the Cabinet Committee on Economic Affairs. Identification of agencies/individuals responsible for such time and cost overruns forms part of the action taken report of the concerned Ministry/Department on the recommendations of the Standing Committee.

Statement

Summary of Central Sector Projects in various StatesAJTs as on

31.03.2001

SJte.	Sector	No. of PROJ-ECTS	Total cost (Rs. CRS) ORIG-INAL COST	ANTICI-PATED OVER RUN(%)		PROJ. WITH COST OVER RUN				PROJ WITH ' COST OVER RUN			
						NO.	ORGIN. COST	ANTIC-IPATED	%INCR BASE	NO.	ORGI. COST	ANTIC-IPATED	RANGE (NO)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1.	Andhra Pradesh	39	7484.8	8567.0	14.5	15	4879.9	6226.3	27.6	9	518.2	742.6	1—68
2.	Arunachal Pradesh	2	468.8	1602.1	241.8	1	312.8	1446.1	362.3	1	312.8	1446.1	85—
3.	*tmm*	12	4878.2	6585.0	35.0	6	2346.5	4053.4	72.7	1	117.3	637.0	81—
4.	Bihar	29	4626.9	6865.9	48.4	8	2650.6	4928.4	85.9	11	822.4	928.8	1—
5.	Goa	5	406.0	404.9	-0.3	1	40.4	44.4	11.0	0	0.0	0.0	0-0
6.	Gujarat	24	6717.8	7461.1	111	10	740.8	1503.1	102.9	9	442.0	976.7	3-132
7.	Haryana	4	7783.0	7994.8	27	1	166.7	379.1	127.4	1	166.7	379.1	34—
8.	Himachal Pradesh	2	3362.0	9350.3	178.1	1	1678.0	7666.3	356.9	1	1678.0	7666.3	92—
9.	J&K	4	2753.9	7249.3	163.2	4	2753.9	7249.3	163.2	4	2753.9	7249.3	5—
10	Kamataka	14	1392.7	2698.4	93.8	7	901.8	2207.5	144.8	0	0.0	0.0	0—0
11.	Kerala	7	5236	605.2	156	4	229.6	321.2	39.9	1	89.9	996	15—
12.	Madhya Pradesh	26	5288.4	5834.4	10.3	6	2138.2	2699.4	26.2	8	1455.2	1835.1	3—48
13.	Maharashtra	65	11185.	17481.3	56.3	21	5455.8	11908.4	118.3	24	2639.9	3311.4	3—69
14.	Manipur	2	597.6	667.6	11.7	1	19.0	89.0	368.0	0	0.0	0.0	0-0
15.	Meghalaya	1	71.2	422.6	493.7	1	712	422.2	493.7	1	71.2	422.6	72.72
16.	Mizoram	1	368.7	368.7	0.0	0	0.0	0.0	0.0	0	0.0	0.0	0.0
17.	Orissa	25	12977.	13806.3	6.4	15	8362.3	9207.5	10.1	11	1337.6	2036.7	16.81
18.	Punjab	5	496.7	921.5	85.5	3	282.8	707.6	150.3	3	282.8	707.6	31.132
19.	Rajasthan	7	804	1149.6	42.8	5	730.9	1075.7	47.2	1	32.2	32.2	5.5
20.	Sikkim	1	2198.0	2198.0	0.0	0	0.0	0.0	0.0	0	0.0	0.0	0.0
21.	Tamil Nadu	38	9947.4	11485.2	15.5	14	4413.8	6117.9	38.6	16	5173.7	5876.4	2.78

22.	Tripura	1	575.0	825.0	43.5	1	575.0	825.0	43.5	0	0.0	0.0	0.0
23.	Uttar Pradesh	28	6604.3	11122.9	68.4	15	4542.5	9091.2	100.1	10	4005.8	8210.4	2.77
24.	West Bengal	39	3520	4708.4	33.7	24	1466.2	2976.5	103.0	22	1579.9	2592.1	2.168
25.	A & N Island	1	47.6	47.6	0.0	0	0.0	0.0	0.0	1	47.6	47.6	12.12
26	Delhi	12	5367.6	8841.3	64.7	6	5132.5	8608.5	67.7	9	426.6	607.6	10.156
27.	Jharkhand	2	217.8	159.2	-26.9	0	0.0	0.0	0.0	1	129.2	70.6	18.18
28.	Multi Slate	70		22693.6	24.8	43	11404.8	17066.1	49.6	29	8078.3	11800.3	6.117
	TOTAL:	466 1	23359.7	28321.7 167745.1	36.0	213	61295.7	106820.5	74.3	174	32161.0	57676.3	